

STATE RISK MANAGEMENT FUND
INVESTMENT PERFORMANCE REPORT AS OF FEBRUARY 28, 2005

| | February-05 | | | | January-05 | | | | December-04 | | | | September-04 | | | | Current FYTD | Prior Year FY04 | 3 Years Ended 6/30/2004 | 5 Years Ended 6/30/2004 |
|--|------------------|----------------------|---------------|------------------|------------------|----------------------|---------------|------------------|------------------|----------------------|---------------|--------------------|------------------|----------------------|---------------|--------------------|-----------------|--------------------|-------------------------------|-------------------------------|
| | Market Value | Allocation Actual | Policy | Month Net ROR | Market Value | Allocation Actual | Policy | Month Net ROR | Market Value | Allocation Actual | Policy | Quarter Net ROR | Market Value | Allocation Actual | Policy | Quarter Net ROR | Net | Net | Net | Net |
| LARGE CAP DOMESTIC EQUITY | | | | | | | | | | | | | | | | | | | | |
| <i>Structured Growth</i> | | | | | | | | | | | | | | | | | | | | |
| Los Angeles Capital | 62,365 | 2.7% | 2.7% | 3.75% | 60,134 | 2.6% | 2.7% | -3.51% | 62,312 | 2.7% | 2.7% | 10.37% | 58,442 | 2.6% | 2.7% | -4.14% | 5.91% | N/A | N/A | N/A |
| Total Structured Growth | 62,365 | 2.7% | 2.7% | 3.75% | 60,134 | 2.6% | 2.7% | -3.51% | 62,312 | 2.7% | 2.7% | 10.37% | 58,442 | 2.6% | 2.7% | -4.14% | 5.91% | 17.58% | -6.28% | -7.85% |
| Russell 1000 Growth | | | | 1.06% | | | | -3.33% | | | | 9.17% | | | | -5.23% | 1.08% | 17.88% | -3.74% | -6.48% |
| <i>Structured Value</i> | | | | | | | | | | | | | | | | | | | | |
| LSV | 68,753 | 3.0% | 2.7% | 3.92% | 66,141 | 2.9% | 2.7% | -1.46% | 67,101 | 2.9% | 2.7% | 9.01% | 63,732 | 2.9% | 2.7% | 3.21% | 15.22% | 30.56% | 9.33% | 8.36% |
| Russell 1000 Value | | | | 3.31% | | | | -1.78% | | | | 10.38% | | | | 1.54% | 13.74% | 21.13% | 2.96% | 1.87% |
| <i>Russell 1000 Enhanced Index</i> | | | | | | | | | | | | | | | | | | | | |
| LA Capital | 132,213 | 5.7% | 5.4% | 3.33% | 127,997 | 5.5% | 5.4% | -2.63% | 131,436 | 5.6% | 5.4% | 9.28% | 124,498 | 5.6% | 5.4% | -1.68% | 8.10% | N/A | N/A | N/A |
| Russell 1000 | | | | 2.25% | | | | -2.52% | | | | 9.80% | | | | -1.81% | 7.46% | N/A | N/A | N/A |
| <i>S&P 500 Enhanced Index</i> | | | | | | | | | | | | | | | | | | | | |
| Westridge | 127,349 | 5.5% | 5.4% | 2.13% | 124,676 | 5.4% | 5.4% | -2.40% | 127,718 | 5.5% | 5.4% | 9.47% | 120,973 | 5.4% | 5.4% | -1.99% | 6.93% | N/A | N/A | N/A |
| S&P 500 | | | | 2.10% | | | | -2.44% | | | | 9.23% | | | | -1.87% | 6.78% | N/A | N/A | N/A |
| <i>Index</i> | | | | | | | | | | | | | | | | | | | | |
| State Street | 38,271 | | | 2.11% | 37,481 | | | -2.44% | 38,419 | | | 9.23% | 36,412 | | | -1.88% | 6.75% | 19.01% | -0.75% | -2.28% |
| Total Index | 38,271 | 1.7% | 1.8% | 2.11% | 37,481 | 1.6% | 1.8% | -2.44% | 38,419 | 1.6% | 1.8% | 9.23% | 36,412 | 1.6% | 1.8% | -1.88% | 6.75% | 19.01% | -0.75% | -2.28% |
| S&P 500 | | | | 2.10% | | | | -2.44% | | | | 9.23% | | | | -1.87% | 6.78% | 19.11% | -0.70% | -2.21% |
| TOTAL LARGE CAP DOMESTIC EQUITY | 428,950 | 18.5% | 18.0% | 3.01% | 416,429 | 18.0% | 18.0% | -2.49% | 426,986 | 18.3% | 18.0% | 9.45% | 404,057 | 18.1% | 18.0% | -1.42% | 8.38% | 21.46% | 0.15% | -1.39% |
| S&P 500 | | | | 2.10% | | | | -2.44% | | | | 9.23% | | | | -1.87% | 6.78% | 19.11% | -0.70% | -2.21% |
| SMALL CAP DOMESTIC EQUITY | | | | | | | | | | | | | | | | | | | | |
| <i>Manager-of-Managers</i> | | | | | | | | | | | | | | | | | | | | |
| SEI | 141,643 | 6.1% | 6.0% | 1.88% | 139,116 | 6.0% | 6.0% | -4.48% | 145,620 | 6.3% | 6.0% | 14.79% | 139,823 | 6.3% | 6.0% | -3.60% | 7.69% | 32.99% | 5.51% | N/A |
| Russell 2000 + 200bp | | | | 1.86% | | | | -4.01% | | | | 14.64% | | | | -2.36% | 9.44% | 35.99% | 7.90% | N/A |
| TOTAL SMALL CAP DOMESTIC EQUITY | 141,643 | 6.1% | 6.0% | 1.88% | 139,116 | 6.0% | 6.0% | -4.48% | 145,620 | 6.3% | 6.0% | 14.79% | 139,823 | 6.3% | 6.0% | -3.60% | 7.69% | 32.99% | 5.54% | 7.29% |
| Russell 2000 | | | | 1.69% | | | | -4.17% | | | | 14.09% | | | | -2.86% | 8.01% | 33.36% | 6.24% | 6.63% |
| CONVERTIBLES | | | | | | | | | | | | | | | | | | | | |
| TCW | 253,671 | 10.9% | 11.0% | -0.09% | 252,166 | 10.9% | 11.0% | -2.07% | 259,229 | 11.1% | 11.0% | 8.41% | 246,545 | 11.0% | 11.0% | -4.35% | 1.45% | 17.50% | 1.03% | 3.90% |
| Merrill Lynch All Convertibles | | | | -0.73% | | | | -2.29% | | | | 5.37% | | | | -1.05% | 1.13% | 14.16% | 4.89% | 5.75% |
| DOMESTIC FIXED INCOME | | | | | | | | | | | | | | | | | | | | |
| <i>Core Bond</i> | | | | | | | | | | | | | | | | | | | | |
| Western Asset | 488,239 | 21.1% | 20.0% | -0.54% | 491,043 | 21.3% | 20.0% | 0.25% | 489,626 | 21.0% | 20.0% | 1.34% | 472,630 | 21.2% | 20.0% | 3.52% | 4.61% | 2.42% | 7.77% | 8.10% |
| Lehman Aggregate | | | | -0.59% | | | | 0.63% | | | | 0.96% | | | | 3.20% | 4.22% | 0.32% | 6.35% | 6.95% |
| <i>Index</i> | | | | | | | | | | | | | | | | | | | | |
| Bank of ND | 614,937 | 26.5% | 30.0% | -0.60% | 618,673 | 26.8% | 30.0% | 0.20% | 617,356 | 26.5% | 30.0% | 0.40% | 594,776 | 26.6% | 30.0% | 2.54% | 2.53% | 0.07% | 7.10% | 7.25% |
| Lehman Intermediate Gov/Credit (1) | | | | -0.55% | | | | 0.19% | | | | 0.44% | | | | 2.71% | 2.79% | -0.05% | 6.97% | 7.25% |
| <i>BBB Average Quality</i> | | | | | | | | | | | | | | | | | | | | |
| Wells Capital (formerly Strong) | 276,844 | 11.9% | 10.0% | -0.31% | 278,036 | 12.0% | 10.0% | 1.66% | 275,394 | 11.8% | 10.0% | 2.30% | 264,977 | 11.9% | 10.0% | 4.51% | 8.35% | 1.18% | N/A | N/A |
| Lehman US Credit BAA | | | | -0.50% | | | | 0.90% | | | | 1.69% | | | | 4.76% | 6.95% | 1.96% | N/A | N/A |
| TOTAL DOMESTIC FIXED INCOME | 1,380,020 | 59.5% | 60.0% | -0.52% | 1,387,752 | 60.1% | 60.0% | 0.51% | 1,382,376 | 59.4% | 60.0% | 1.11% | 1,332,383 | 59.6% | 60.0% | 3.27% | 4.40% | 0.79% | 7.00% | 7.45% |
| Lehman Gov/Credit | | | | -0.66% | | | | 0.69% | | | | 0.80% | | | | 3.56% | 4.42% | -0.72% | 6.73% | 7.10% |
| CASH EQUIVALENTS | | | | | | | | | | | | | | | | | | | | |
| Bank of ND | 114,763 | 4.9% | 5.0% | 0.21% | 114,565 | 5.0% | 5.0% | 0.22% | 114,402 | 4.9% | 5.0% | 0.53% | 110,901 | 5.0% | 5.0% | 0.44% | 1.41% | 1.20% | 1.72% | 3.39% |
| 90 Day T-Bill | | | | 0.16% | | | | 0.17% | | | | 0.48% | | | | 0.37% | 1.18% | 0.98% | 1.71% | 3.30% |
| TOTAL RISK MANAGEMENT FUND | 2,319,046 | 100.0% | 100.0% | 0.34% | 2,310,028 | 100.0% | 100.0% | -0.66% | 2,328,614 | 100.0% | 100.0% | 3.97% | 2,233,709 | 100.0% | 100.0% | 0.94% | 4.62% | 8.09% | 4.62% | 3.34% |
| POLICY TARGET BENCHMARK | | | | 0.01% | | | | -0.52% | | | | 3.57% | | | | 1.54% | 4.63% | 6.46% | 5.10% | 3.86% |

NOTE: Monthly returns and market values are preliminary and subject to change.

(1) Prior to April 1, 2004, the benchmark was the LB Govt/Credit index.